Using Strategic Workforce Planning to Solve Complex Business Problems

Pearson Uses a Strategic Workforce Planning Pilot Project to Analyze Its Business and Address Challenges in an Emerging Market

—Stacia Sherman Garr, Vice President, Talent Management Research
Bersin by Deloitte, Deloitte Consulting LLP

March 2014

IN THIS CASE STUDY

With all of the rapid changes confronting business today, it can be easy to ignore the future state of your workforce—specifically, whether your organization will have enough properly skilled employees to have the right talent in the right roles to execute its business plans. This kind of neglect can have a devastating impact on business, and it is this threat that strategic workforce planning seeks to address.

At Pearson, a global learning company, one of its education divisions has experienced rapid expansion in an emerging market. However, the division has also grappled with several issues that have affected its ability to retain employees and attract new prospects.

In this case study, we:

• Examine the challenges facing Pearson’s education division business in a specific emerging market
• Explore the different phases of Pearson’s strategic workforce planning pilot and how it was used to help address the division’s challenges
• Explain how the core workforce planning team worked with business-unit executives to identify risks to their business
• Illustrate how business-unit executives used the information, strategies, and actions to address strategic workforce challenges around their expansion

Copyright © 2014 Deloitte Development LLC. All rights reserved. • Not for Distribution
Licensed Material Available to Research Members Only.
The Bersin WhatWorks® Membership Program

This document is part of the Bersin Research Library. Our research is provided exclusively to organizational members of the Bersin Research Program. Member organizations have access to an extensive library of learning and talent management related research. In addition, members also receive a variety of products and services to enable talent-related transformation within their organizations, including:

- **Research**—Access to an extensive selection of research reports, such as methodologies, process models and frameworks, and comprehensive industry studies and case studies.

- **Benchmarking**—These services cover a wide spectrum of HR and L&D metrics, customized by industry and company size.

- **Tools**—Comprehensive tools for HR and L&D professionals, including tools for benchmarking, vendor and system selection, program design, program implementation, change management, and measurement.

- **Analyst Support**—Via telephone or email, our advisory services are supported by expert industry analysts who conduct our research.

- **Strategic Advisory Services**—Expert support for custom-tailored projects.

- **Member Roundtables**—A place where you can connect with other peers and industry leaders to discuss and learn about the latest industry trends and leading practices.

- **IMPACT Conference: The Business of Talent**—Attendance at special sessions of our annual IMPACT conference.

- **Workshops**—Bersin analysts and advisors conduct onsite workshops on a wide range of topics to educate, inform, and inspire HR and L&D professionals and leaders.

For more information about our membership program, please visit us at www.bersin.com/membership.
Contents

Company Overview ......................................................... 4
Business Environment and Challenges ......................... 4
HR Organization .......................................................... 5
Using Strategic Workforce Planning to Solve Complex Business Problems ................. 7
    The Six Steps in Strategic Workforce Planning ................... 7
    Strategic Workforce Planning at Pearson ......................... 8
Tools and Technology .................................................... 24
Business Impact .......................................................... 24
Lessons Learned and Leading Practices ......................... 25
Next Steps .................................................................. 26
Conclusion .................................................................. 26
Appendix I: Topics for Discussion and Learning ................... 27
    Key Learnings .......................................................... 27
    Ideas for Action ....................................................... 27
    Questions to Consider .............................................. 28
Appendix II: Table of Figures ........................................... 29
About Us ..................................................................... 30
Company Overview

Pearson is one of the world’s leading education companies. Its 40,000 employees are involved in nearly every facet of learning, from preschool to secondary education, as well as professional education, including assessment and certification. The company produces a wide range of curriculum and content materials, including print and digital textbooks, digital applications, and multimedia classroom tools. (See Figure 1.)

Founded in 1844 in London, England, approximately 60 percent of Pearson’s revenue today comes from North America. However, it is rapidly expanding into fast-growing economies in Asia, South America, Africa, and the Middle East.

While education is the core of Pearson’s business, accounting for as much as 75 percent of its revenue, its Financial Times Group publishes business and financial news, as well as commentary and data, in print and on the Financial Times website at FT.com. Pearson also owns 47 percent of the global trade publisher Penguin Random House.

Business Environment and Challenges

Once one of the world’s leading publishers of books and printed information, Pearson has been forced to transform its business as a result of dramatic changes underway in consumer technology and preferences. No longer content to learn solely through the reading of printed books, today’s consumers expect to be able to learn on any device at any given time. These technological advances and consumer expectations are spurring innovations and solutions that were not even in existence a few years ago. This includes e-learning platforms, multimedia web-based textbooks, and interactive learning modules.

While Pearson’s roots are in Europe and North America, the company is moving aggressively to compete in many rapidly developing economies around the world. One of the four pillars of the company’s current strategy...
is “...investing to become a much larger global company, with particular emphasis on fast-growing markets in China, India, Africa and Latin America.”¹

This type of global presence, and growth expectations, bring their own set of challenges. Not only is Pearson competing against a whole new set of companies for new consumers but each country also comes with its own culture and its own workforce expectations. To succeed, Pearson requires a workforce with the right skills set and clear opportunities for advancement and growth. The company’s success also depends on recruitment and retention of key talent.

One example of a business facing these challenges is a Pearson education division that is operating in a new emerging market. This division is one of the world’s leading brands in its area of business, and it had aggressive growth plans.

However, alongside those aggressive growth plans in the emerging market, the organization also faced high turnover rates within its local operations. To implement its growth plans, the company needed to significantly increase retention while dramatically ramping up hiring. These business needs coincided with a blossoming of career opportunities for local citizens—especially those with the specific required business skills so essential for this business unit’s success.

To sustain its growth plans, increase retention, and improve hiring prospects, Pearson implemented a comprehensive strategic workforce planning project for its division in the emerging market.

HR Organization

When Pearson implemented its strategic workforce planning project in 2012, its HR organization was a decentralized HR business partner (HRBP) model, with centers of excellence providing support on critical issues. The HRBPs reported directly to business-unit leaders. When executing the strategic workforce planning pilot, a core team was formed consisting of the following individuals:

- The head of HR programs for Pearson International
- Two HR members from the business unit
- A vice president of workforce planning and analytics
- A manager of workforce planning and analytics
- A consultant from a workforce planning solution provider

The core team members interacted regularly with the business unit’s senior executives as well as the functional leaders of the areas chosen for the workforce planning pilot, gaining feedback and sharing it as the core team continued with their work (see Figure 2).

**Figure 2: Core Team for the Workforce Planning Pilot**

- **Vice President of Workforce Planning and Analytics**
  - Pearson—New York

- **Head of HR Programs**
  - Pearson International—London

- **Consultant**
  - Workforce Planning Solution Provider—Minnesota

- **Manager of Workforce Planning and Analytics**
  - Pearson—New York

- **HR Member**
  - Business-Unit Team
  - Pearson—New York

- **Business-Unit Leaders**
  - Pearson Division—Local Market

*Source: Pearson and Bersin by Deloitte analysis, 2014.*
Using Strategic Workforce Planning to Solve Complex Business Problems

Strategic workforce planning is a critical tool that is used to protect against talent and skill shortfalls in the future.

The term “strategic workforce planning” is defined as:

“A set of business processes that analyze the supply and demand of talent. This discipline helps organizations to understand the current state, forecasted gaps, and actions necessary to close talent gaps.”

Used correctly, strategic workforce planning can help leaders answer the question of whether their organization will have the workforce needed to meet business objectives in the next two to three years. By developing plausible future business scenarios, strategic workforce planning is not only a risk-identification process but also a framework for long-term success.

Strategic workforce planning differs from operational workforce planning in that the latter focuses on an organization’s immediate staffing and workforce challenges. By contrast, strategic workforce planning focuses on specific, critical roles on a much longer timeline. In this report, we focus on how Pearson used strategic workforce planning to address the workforce challenges of a division in an emerging market.

The Six Steps in Strategic Workforce Planning

Strategic workforce planning is not a one-time event but rather a process that continually builds on itself. Pearson followed a six-step process developed by their solution provider SuccessFactors, an SAP company. The workforce planning steps include:

1. **Foundational analysis.** This step is used to determine if the organization has adequate leadership engagement and the organization is prepared to participate in the workforce planning process. Foundational analysis also explores whether the resources, data, and methodology exist to enable strategic workforce planning.

2. **Strategic analysis.** This step addresses the business strategy and identifies the future state of the business. It also outlines planning assumptions, critical job roles, and capabilities.

3. **Forecasting.** This step looks at workforce supply and demand based on the future state of the business.
• **Workforce supply.** How many people and what job roles are available.

• **Workforce demand.** How many people and what job roles will be needed.

• **Capabilities.** What capabilities does the business unit presently have, and which ones will be required for future success

4. **Risk analysis.** This step analyzes the critical gaps that are likely to emerge as a result of future workforce projections and available workforce supply. The purpose of this step is to identify which of these gaps will pose a threat to business strategy and execution.

5. **Strategies and impact.** This step is designed to identify the appropriate interventions and business actions that will be most likely to mitigate the risks identified in Step 4. In addition, organizations often also identify the cost implications of different actions and inaction.

6. **Action and accountability.** This final step examines the concrete actions that will be implemented as a result of the strategic workforce planning exercise. This step also attempts to address how success will be measured as a result of these actions.

### Strategic Workforce Planning at Pearson

Soon after acquiring the business unit in a local market, Pearson launched an expansion plan. The company had plans to expand by more than 15 locations in its first year and to add more than 100 the following year.

Despite its proven and successful business formula for education and learning, the division was facing serious challenges to its business plan, including an unsustainably high turnover rate. Additionally, external pressures were making it difficult for the organization to recruit the talent needed to staff new locations. For example, employee expectations in the local market about compensation, development, and advancement were surpassing assumptions made only a few years earlier. At the same time, competition for high-quality employees had also increased, and competitors had been drawn into the local market. Finally, in some of the market’s noncore cities, finding talent with the right skills was proving to be more challenging than anticipated.

As a result of these constraints, and after learning Pearson had established a workforce planning center of excellence, the head of Pearson International’s HR programs in London suggested a pilot project to apply a strategic workforce planning solution to address the challenges facing the division.

A meeting was held to introduce the workforce planning process to the business unit’s CEO, COO, and two members of the HR team, and it was
agreed to move forward with the workforce planning pilot and to analyze talent needs for the next five years.

**Step 1. Foundational Analysis: Beginning the Workforce Planning Process at Pearson**

Within a few short months of the initial proposal for a strategic workforce planning project, an international core team was assembled (see Figure 2, page 6). Pearson enlisted SuccessFactors, a solution provider with whom it had an existing relationship, to assist in the process. SuccessFactors assigned a consultant who became a member of the Pearson core team.

In addition to this core team, which met weekly, the business unit’s two principal business leaders in two key functional areas in the emerging market were also involved in the process.

The strategic workforce planning process at Pearson would eventually take seven months, with the team implementing the formal steps in June 2012 and completing their project in December 2012 (see Figure 3).
Step 2. Official Project Kickoff and Strategic Analysis

In June 2012, with the foundational analysis and strategic workforce planning support established at Pearson, the official kickoff began with a two-hour conference call that included the core team, the COO, and the two functional leaders. At this meeting, which marked the beginning of the strategic analysis, the Pearson team and the SuccessFactors consultant walked through the six steps of strategic workforce planning (discussed earlier in this case study) and the potential benefits of strategic workforce planning. The team specifically focused on the following benefits:

- Reduced labor costs by only hiring the optimal number of staff with the appropriate skills
- Minimized skill shortages, which can have a positive impact on productivity and growth
- Greater focus on targeted learning and development initiatives
Increased employee retention, resulting from clearer business direction and subsequent ability to communicate opportunities to employees.

Enhanced focus on organizational structure, employee skills, and productivity instead of simple headcount and recruitment metrics.

After this discussion, the group moved on to some of the more analytical elements of strategic workforce planning, such as identifying key roles for success and developing likely business scenarios.

**Identifying Critical Roles**

By the end of the kickoff meeting, the group had agreed on a list of 16 critical job roles in the business unit. These included seven roles in the operations unit that made the business run efficiently and nine roles in the services divisions. Some of these roles were supervisory and managerial, but some were also frontline roles that interface directly with consumers—both were important for future success.

In addition to critical role identification, the other component that is central to the strategic analysis phase is to identify realistic, potential future business scenarios. The core group and the business leaders discussed the array of challenges facing the business. Beyond workforce issues, these challenges included potential changes in consumer credit, the effects of government regulations, and the impact of technology on consumer taste.

The group agreed to develop two scenarios. The first scenario would use business-as-usual assumptions with some change, while the second scenario would incorporate a high level of change across almost every aspect of the business. While the first scenario was designed to align with current expectations, it was still a very challenging proposition given expected growth targets. The second scenario would be much more challenging and included a more aggressive expansion plan and increasing business threats. The group considered several key components that could have an impact on the business, including:

- The availability of consumer credit
- Consumer adoption of new technology
- Competition for talent
- Employee expectations
- Government regulations
- Expansion plans
- Economic growth cycles

Pearson’s strategic workforce planning team developed one business scenario for business as usual, including a moderate rate of change, and a second scenario that assumed a high rate of change across many variables.
Identifying Scenarios

After the initial kickoff meeting, the Pearson HR team and the solution-provider consultant assembled their notes, expanded their analysis with help from the HR leads at the business unit, and began developing the two likely scenarios facing the business unit. The core group met weekly through conference calls and used basic email and word processing documents to exchange ideas across multiple time zones.

It took approximately one month to identify and confirm the business scenarios with the business unit. The business-unit leaders, for their part, weighed in through their HR leads on the core team or by sending email directly to the team. The following are the final business scenarios:

**Scenario 1. Low / Moderate Change:** In this scenario, the pressure on the business remains intense and competitive. Consumers will have limited access to private credit, making it difficult to pay for the business unit’s service. The shift to technology-driven learning in this scenario will be steady but not revolutionary. On the workforce front, the competition for highly skilled employees will remain high, and government regulations will continue to have an impact on a number of business issues, such as marketing and expatriate hiring. Expansion plans in this scenario are status quo, but still aggressive, with plans to open new locations in multiple cities within 48 months. As the organization expands, the complexity of managing the business in this scenario also increases. The economic assumptions for this scenario ranged from status quo to slight slowing in the local market’s growth rate—which could impede consumer demand.

**Scenario 2. High / Accelerated Change:** This scenario includes both positive and challenging developments. Consumer credit could likely expand, thus making it easier for citizens to purchase the business’s product. However, as with many industries, consumers may likely seek out more technology-driven learning solutions. The competition for skilled talent increases in this scenario, as does government regulations that could impede expansion plans. Unlike the slower-change scenario, this model projects increased growth with expansion into an additional seven cities. On the economic front, this scenario assumes a growth rate of just 5 percent—low for the local market—thus making consumers more price-sensitive.

**Step 3. Forecasting Workforce Supply and Demand**

Having identified critical job roles for success and two likely scenarios, the team moved into the data-intensive forecasting phase in which both talent supply and demand are estimated. This phase was also carried out through weekly conference calls among the core team, the business executives, and functional leaders. This process started in early May 2012 and took approximately five weeks to complete.
Supply Forecasting

As with almost any data integration project, there were initial hurdles. While the business unit had good data, it had to be imported into SuccessFactors’ database tool. Some of the essential data requirements were fairly straightforward, including data files for each employee active at the beginning of the year and at the end of year, as well as data files for each new hire, and a data file for every employee who left the organization during the year.

Each data file had its own subset of requirements. Some of the data required for the active employee file required:

- Employee ID
- Service data / length of service
- Reporting structure code
- Job family / job function
- Employment status (regular / temporary)
- Employment type (full-time / part-time)

Employee data mismatches—incorrect data due to varying field names—sometimes occurred as a result of language or interpretation issues, but these were sorted out between the solution provider and the HR team in the local market.

“What we were able to do is take a look at their workforce supply, and examine what would happen to supply over time with the effective voluntary termination rate being applied forward.”

—VP of workforce planning and analytics, Pearson

Once the data was collected, the team analyzed the projected talent inflows (new hires) compared to the outflows (those exiting the organization). This analysis validated the assumption that the business unit’s growth plans were unsustainable under the current workforce status quo (see Figure 4).
Demand Forecasting

As the supply side was being analyzed, the core team also began focusing on the other component of Step 3: Demand forecasting. The key objective of this phase was to determine the demand for each of the identified 16 roles based on the two business scenarios.

The core team continued to meet weekly, creating a list of demand interview questions that would then be posed to each functional business-unit leader during 90-minute conference calls. One set of questions (and the follow-up interview) focused on the seven critical operations roles, while the other focused on the nine service roles. Some of the questions included:

- How are the roles changing?
- How are the ways in which the roles add value to the organization changing?
- What are the critical skills and capabilities for each role?
- What are the opportunities to improve productivity with these roles?
- In what ways will demand be impacted through the two different scenarios?
- What are the staffing needs based on the different scenarios?
After the demand interview meetings, the core team compiled their notes and assembled a three-page write-up. Those write-ups were then circulated among the functional leaders to confirm their accuracy and completeness.

The result of the interviews was that, with a few exceptions, participants expected the nature of the roles within the business unit would remain largely unchanged. However, several capability gaps were identified and the relative importance of some roles was changing. Leadership roles were under pressure to be more strategic and less tactical. Other senior positions would entail more coaching and development. Jobs that required interaction with customers would require more customer feedback.

Expansion would also increase the scope and oversight of some leadership roles as new cities were added to the growth list. Sales positions, for their part, could come under pressure if the economy were to slow down. As the company expanded, it would be critical to protect the business unit’s premium brand. As a result, the expansion would require a new role to audit the customer experience.

Regardless of the scenario, demand pressure was intense. Forecasting based on the number of employees required to expand showed that demand would increase between 177 percent in the low-change scenario to 218 percent for the high-change scenario (see Figure 5).

**Figure 5: Demand Forecasting for Critical Roles Combined**

![Demand Forecasting Graph](#)

Step 4. Risk Analysis: From Strategy to Execution

As described earlier, the risk-analysis step is about looking at and determining the importance of the critical gaps that are likely to emerge as a result of future workforce projections and available workforce supply, as well as gaps in current and future critical capabilities. Effectively, this step is designed to answer the questions:

- What are the critical gaps?
- Which of these gaps will pose a threat to business strategy and execution?

Gap Analysis

When the demand figures were paired with supply forecasts for employee turnover versus new hires, they revealed a troubling outcome. In short, at the current hiring and retention rates, it would be impossible to recruit the approximate number of employees required in either business scenario (see Figure 6).

**Figure 6: Gap Analysis Reveals Substantial Disconnect between Supply and Demand**

![Graph showing supply and demand comparison over years 2011 to 2016](source: Pearson, 2014)
The team conducted further analysis, on a role-by-role basis, which revealed the exact extent of the challenge for each position (see example in Figure 7). This analysis was useful because the organization could then use this information to further prioritize its response efforts, depending on the severity of the challenge or the cost to address it.

### Figure 7: Role-by-Role Analysis of Hiring Gaps

<table>
<thead>
<tr>
<th></th>
<th>2012–2016 Departures</th>
<th>Gap to Low Scenario with Historical Hiring</th>
<th>Gap to High Scenario with Historical Hiring</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>#</td>
<td>% of 2016 Headcount</td>
</tr>
<tr>
<td>All Operations</td>
<td>4495</td>
<td>−1772</td>
<td>−794%</td>
</tr>
<tr>
<td>National Operations Director</td>
<td>NA</td>
<td>−1</td>
<td>NA</td>
</tr>
<tr>
<td>Regional Operations Director</td>
<td>0</td>
<td>−2</td>
<td>−67%</td>
</tr>
<tr>
<td>Area Operations Director</td>
<td>0</td>
<td>−14</td>
<td>−127%</td>
</tr>
</tbody>
</table>


It is important to note that all of this analysis is designed to be primarily directional. No matter the level of skills of the team and the amount of care put into the process, it would not be possible to completely, accurately predict hiring needs and supply gaps. However, this analysis did allow leaders to better understand the extent of the organization’s hiring and retention challenges and begin to plan for how to address them.

“One thing that was very important during this process was to reassure the business leaders that this was not a budget—it was not an exact science. This was meant to be directional and a guide. The point was to determine where the gaps exist and what strategies could be put in place to close these gaps.”

—VP of workforce planning and analytics, Pearson

---

**KEY POINT**

The supply and demand forecasting are not meant to be an exact science. They are intended to reveal gaps between employee supply and demand and then determine what strategies can be implemented to close those gaps.
Risk Analysis

After the gaps were identified, the next phase was to understand the risks. The risk-analysis phase began in early September, just three months after the project kickoff. The phase began with another international conference call and included the core team as well as the functional leaders. The goal was for the core team to review the gaps with the functional leaders and get their feedback and assessments of them.

As mentioned previously, the data was forecasting a significant gap between the business unit’s demand for employees, based on their growth model, and the labor supply. The group identified a set of 19 risks and subdivided them based on impact and likelihood. Some risks, for example, were categorized as significant and possible—such as the impact of an avian flu pandemic on the region. However, the group focused on the nine risks they identified as both significant and highly likely. Among these nine risks were the ability to:

- Open new centers at risk due to inability to source an adequate number of skilled employees
- Expand and grow in some cities at risk by the smaller knowledge base available to the leadership of the city / area
- Meet sales goals at risk from changes in marketing regulations and their impact on staffing marketing roles, resulting in a lower quantity of prospects
- Meet target organization size and operations at risk due to regulations hindering the ability to staff centers

The group further broke these significant and highly likely risks into two categories: sourcing and retention. The sourcing risks stemmed from increased competition for talent, the relative strength of the employment value proposition for prospects, and perceptions of less-competitive remuneration. On the retention side, the risks primarily revolved around the employee value proposition, particularly work / life balance, workload, compensation, career path, and leadership.

The risk analysis helped the team and the functional leaders see a clear link between risks and business outcomes. Both the sourcing and retention risks were leading to a lack of capable employees that, in turn, would impact the organization’s ability to hit its current targets as well as its future goals (see Figure 8).
Step 5. Strategies and Impact

This is a distinct phase of the strategic workforce planning model, but the Pearson team launched it at the same time as the risk-analysis meeting. The goal is to brainstorm and develop strategies to address the risks and gaps that had been identified. Given the intense time demands on the functional leaders, the core workforce planning team came to the meeting with a list of strategies that might be successful.

No fewer than 17 strategies were discussed at the meeting. In the few weeks after the phone meeting—between September and October 2012—the group narrowed the strategy list to three umbrella categories (see Figure 9).

In broad strokes, the strategies were:

- Review job design of all roles.
- Review remuneration of critical roles.
- Develop talent pipeline for key center roles in the market’s less-populous cities.

![Figure 8: Observation with Risk Themes](source: Pearson 2012.)
An essential process within Step 5 was linking the strategies back to the nine “high possibility, significant impact” risks that were identified in Step 4 (Risk Analysis). To prioritize the strategies, each strategy was subdivided into its constituent elements. In the case of the first strategy—Review Job Design of All Roles—this encompassed the strategies of reviewing job design, identifying the capabilities and “body of knowledge” required to succeed, and reexamining management training to also improve capabilities (see Figure 10). This process was critical because the workforce planning team wanted to clearly communicate to the business-unit leaders how the proposed strategies were responding to the most critical business risks.
**Figure 10: Alignment of Risks to Strategy 1—Review Job Design of All Roles (Example)**

**Risks with High Possibility and Significant Impact**

2. Ability to expand and grow in tier 2 cities is at risk by the smaller knowledge base (feedback, input, ideas, etc.) available to the leadership of the city/area and lack of connectedness with other segments.

4. Ability to meet sales goals is at risk from changes in marketing regulations leading to a lower quantity of prospects, negatively impacting sales individuals' engagement, retention, and productivity.

7. Brand is at risk due to inadequate employee performance resulting from high turnover, causing low employee tenure, loss of knowledge, and lack of customer service skills.

8. Ability to meet target organization size and operations is at risk due to difficulty staffing leadership roles as a result of a lack of interest in advancing careers within unit due to changing desires for work/life balance and, for sales, a perception of lower earnings.

9. Ability to meet target organization size and operations is at risk due to regulations hindering the ability to staff centers (services).

10. Ability to meet client management goals is at risk based on the ability to maintain deadlines and follow organizational processes.

12. Ability to react to a pandemic (e.g., bird flu) in a rapid and effective way is at risk due to a lack of workforce preparedness.

14. Ability to meet target organization size and operations is at risk due to an inability to staff regional and area leadership roles as a result of a lack of ready candidates.

15. Ability to meet service-level goals is at risk due to lower levels of service orientation among newer/younger employees.

18. Ability to meet target organization size and operations is at risk due to a lack of required skills/capabilities to support remote interactions with clients.

**Identified High-Impact Strategies and Tactics to Mitigate Risks**

9. Retention: Review the Job Design of Key Roles

14. Capabilities: Clearly Identify the "Body of Knowledge" Required to be Successful and Develop an Initial Certification and a Recertification Process

16. Capabilities: Reexamine Management Training (Defining Management Capabilities)

**Integrated Strategies and Tactics**

1. Review Job Design of All Roles

Step 6. Action and Accountability

The process of strategic workforce planning is a dynamic and iterative one—as business strategies evolve, so will workforce planning strategies. Ideally, strategic workforce planning becomes an embedded element of the strategic and business planning process. This action and accountability step functions as a feedback step.

“As we went through strategies with the core team and the functional leaders, we looked at feasibility and impact. Some actions were less feasible because of cost or time commitment. However, the business-unit leaders also had to weigh that against the impact of not doing it—and in many cases that inaction could lead to a higher cost.”

—VP of workforce planning and analytics, Pearson

The team developed a set of actions that could be carried out to address each strategy. For example, five actions were developed to help address the first strategy—Review Job Design of All Roles (see Figure 11).
From beginning to end, this project spanned one year. The coordination to gain approval for the project and establish the core team took approximately five months. The execution of the formal workforce planning activities spanned seven months.

---

### Figure 11: Summary of Actions for Strategy 1

<table>
<thead>
<tr>
<th>Strategy Summary</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Job design (JD) is practically significant for organizations to attain multiple outcomes in balance, such as business efficiency and employee satisfaction. Good job design is the fundamental base for a company to organize its resources in the most efficient way and guide the employees to work toward the desired competence and performance level a company requires.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Strategy Breakdown</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Action</strong></td>
<td><strong>Stakeholder</strong></td>
</tr>
<tr>
<td>Translate business and people strategies</td>
<td>Business Leader</td>
</tr>
<tr>
<td>Streamline functional workflow and managerial workflow (content-sensitive)</td>
<td>Business Leader</td>
</tr>
<tr>
<td>Workload analysis (time-sensitive)</td>
<td>Business Leader</td>
</tr>
<tr>
<td>Rationalize requirements on positions in line with internal career ladders</td>
<td>Business Leader</td>
</tr>
<tr>
<td>Design responsibility and specification (JD)</td>
<td>Business Leader</td>
</tr>
</tbody>
</table>

*Integrated with Strategy 2*

| **Action** | **Stakeholder** | **Facilitator** |
| Set balanced key performance indicators (KPIs) for positions | Business Leader | Talent Development |
| Review rewards structure in terms of incentive and motivation | Business Leader | Talent Development |

### Next Steps

- Engage consultancy to assist in the job design process in first quarter 2013

*Source: Pearson, 2012.*
Tools and Technology

To carry out day-to-day business and weekly meetings, the workforce planning team at Pearson relied on straightforward technology, such as conference calls and emails. The initial development of business scenarios, for example, was accomplished by sharing word processing documents and emails.

The data collection, supply and demand analysis, and forecasting was completed using SuccessFactors’ Workforce Planning and Workforce Analytics solutions. These solutions included tools the team used to help generate supply and demand predictions based on job role and skills. The business-unit data was imported into the solution through template spreadsheets. The solution functionality was then applied to generate the supply data, as well as apply voluntary termination and retirement rates to predict the demand data against the two scenarios. The ability to accomplish this through the tool versus using manual efforts allowed the core team to focus on analysis of the results and the implementation of the workforce planning process.

Business Impact

As a result of this strategic workforce planning pilot, there have been several positive impacts on the business unit’s operations. Planning capabilities within the business and with its HR team were greatly enhanced. Business-unit leaders also came away with a detailed and data-backed understanding of the gaps facing their organization. Skills and capabilities were identified, and the business gained a greater understanding of how sourcing and retention can have a major impact on business performance and growth plans. Finally, functional leaders came to the quick conclusion that if they kept doing business as usual, they would not only fail in their growth targets but their existing business would begin to suffer as well.

“One of the key results from this process was that it gave the business leaders a clear view of where the business was heading from a workforce standpoint. It also enabled a strong partnership and alignment with their HR team. Job descriptions under development to match the reality of job roles is an important first step.”

—VP of workforce planning and analytics, Pearson

The strategic workforce planning pilot helped create a strong partnership between business leaders and HR. This alignment has led to a strong focus on solving the challenges facing the business as it seeks to expand.
Lessons Learned and Leading Practices

• Develop several different scenarios that rely on varied, though realistic assumptions. At a minimum, develop one business scenario for business as usual, including a moderate rate of change, and develop a second scenario that assumes a high rate of change across many variables. Interview a variety of business leaders to identify these assumptions and then involve them deeply in the refinement of those assumptions.

• Early in the process, itemize and share with your team exactly what employee data you plan on collecting. Data migration is a challenge with almost any project, and workforce planning is no exception. Clarify exactly what employee data you are seeking—for example, employee title or length of service—and develop a data dictionary so all parties are clear on what a data field is meant to represent. This precise level of communication will save time and ensure your analysis is clean and accurate.

• Assure your business-unit colleagues that strategic workforce planning is about directional changes—not about making immediate budget decisions. Some business-unit leaders may view strategic workforce planning as a way to tie them into budget forecasts three to five years down the line. However, supply and demand forecasting is not meant to be an exact science. It is intended to reveal gaps between employee supply and demand and then help identify what strategies could be implemented to close those gaps.

• Do your prework. Business-unit leaders are under intense time constraints, and while they need to focus on long-term strategic issues, they also need to make their business work today. Leverage your own resources and, where possible, do as much prework as possible before big meetings. Bring effective workforce strategies to the table so business leaders can assess whether they match the gaps uncovered through the strategic workforce planning process.

• Build strong partnerships with business-unit leaders. Business-unit leaders and HR must work together closely in order for strategic workforce planning to be a success. Jointly identifying business risks and analyzing the needs of the business can help cement the important bond between business leadership and HR. This type of alignment leads to a strong focus on solving near- and long-term challenges.
Next Steps

At the completion of the multistep, strategic workforce planning process, the core team assembled a comprehensive summary deck that outlined in detail each step of the process. The summary included detailed analysis on the risks facing the business unit, strategies that could be used to address those risks, and specific actions that could be deployed to support those strategies. The business unit HR team and the functional business leaders then began to work on action plans to implement the strategies.

Conclusion

One of Pearson’s business units in a particular emerging market was experiencing massive growth, but it was also confronting serious challenges to its business. These challenges included poor retention rates among its employees, as well as difficulty sourcing enough suitable candidates to support expansion plans.

In 2012, as these problems were threatening to derail the business unit’s plans, Pearson launched a pilot strategic workforce planning project to help the business. Pearson enlisted SuccessFactors, with whom they had an existing relationship, to assist with the workforce planning pilot. An international core team of six was assembled, including three executives from within Pearson with workforce planning expertise. Also part of the core team were two HR business partners within the Pearson education division and a consultant from SuccessFactors. Over the course of seven months, the core team conducted weekly meetings interspersed with intensive conference calls with the division’s functional leaders.

Using an established strategic workforce planning model, the group undertook a strategic analysis of the business, identifying critical job roles and capabilities. This phase was followed by a data-driven workforce supply and demand analysis for new talent based on two likely business scenarios. These analyses yielded a clear picture of the gaps that would face the business. To address the risks, the group developed a set of possible strategies and actions. When the project was complete, Pearson began planning its actions to implement the steps that would likely have the biggest impact on its business unit and planned to apply the learnings from the strategic workforce planning process to the rest of its business over time.
Appendix I: Topics for Discussion and Learning

The following sections provide you with considerations for sharing and implementing the leading practices highlighted in this report.

Key Learnings

The following is a list of key learnings from this case study:

1. Develop at least two business scenarios: one scenario that assumes a moderate rate of change and a second scenario that assumes a high rate of change across many variables.
2. Before any data migration begins, determine exactly what fields of data are needed, where they are located, and how they map into any existing templates used to collect data.
3. The supply and demand forecasting are not meant to be an exact science. They are intended to reveal gaps between employee supply and demand and then determine what strategies can be implemented to close those gaps.
4. Know your audience. If your business-unit leaders are under intense time constraints, consider doing as much prework for them as possible, including recommending effective strategies.
5. The strategic workforce planning pilot helped create a strong partnership between business leaders and HR. This alignment has led to a strong focus on solving the challenges facing the business as it seeks to expand.

Ideas for Action

The following is a list of actions that you can take to implement leading practices highlighted in this report. There are some foundational elements that we highly recommend be in place in your company before executing such a plan, process, or program.

1. Identify business-unit leaders with the need, readiness, and engagement required to implement a strategic workforce planning pilot.
2. Become an expert and thought leader on strategic workforce planning. This type of expertise and influence will enable you to drive the conversation and spearhead a pilot project in your organization.
3. If you do not have the resources or expertise internally, research solution providers that can provide a set framework, as well as the data skills required to perform employee supply and demand analyses.

4. Do your advance work. Identify workforce strategies that business unit leaders can consider once gaps are identified. Provide insight on the relative time and cost to implement these solutions.

5. Prepare for extended implementation times following the strategic workforce planning process. Part of the process involves assessing costs and impact of implementing change; therefore, some initiatives will have to wait.

Questions to Consider

1. How would you compare your organization’s strategic workforce planning abilities to Pearson’s?

2. Does your HR organization currently have the bandwidth to commit to a strategic workforce planning pilot or process that involves weekly meetings, detailed analysis, and concrete actions to address business threats?

3. Are you knowledgeable enough about strategic workforce planning so that you can guide and focus the process—keeping business-unit leaders focused on the likely business scenarios?
## Appendix II: Table of Figures

<table>
<thead>
<tr>
<th>Figure</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Pearson at a Glance</td>
<td>4</td>
</tr>
<tr>
<td>2</td>
<td>Core Team for the Workforce Planning Pilot</td>
<td>6</td>
</tr>
<tr>
<td>3</td>
<td>Timeline for Strategic Workforce Planning Pilot Process</td>
<td>10</td>
</tr>
<tr>
<td>4</td>
<td>Supply Forecasting for All Job Families in Pilot</td>
<td>14</td>
</tr>
<tr>
<td>5</td>
<td>Demand Forecasting for Critical Roles Combined</td>
<td>15</td>
</tr>
<tr>
<td>6</td>
<td>Gap Analysis Reveals Substantial Disconnect between Supply and Demand</td>
<td>16</td>
</tr>
<tr>
<td>7</td>
<td>Role-by-Role Analysis of Hiring Gaps</td>
<td>17</td>
</tr>
<tr>
<td>8</td>
<td>Observation with Risk Themes</td>
<td>19</td>
</tr>
<tr>
<td>9</td>
<td>Top Three Integrated Strategies</td>
<td>20</td>
</tr>
<tr>
<td>10</td>
<td>Alignment of Risks to Strategy 1—Review Job Design of All Roles (Example)</td>
<td>21</td>
</tr>
<tr>
<td>11</td>
<td>Summary of Actions for Strategy 1</td>
<td>23</td>
</tr>
</tbody>
</table>
Bersin by Deloitte delivers research-based people strategies designed to help leaders and their organizations in their efforts to deliver exceptional business performance. Our WhatWorks® membership gives FORTUNE 1000 and Global 2000 HR professionals the information and tools they need to design and implement leading practice solutions, benchmark against others, develop their staff, and select and implement systems. A piece of Bersin by Deloitte research is downloaded on average approximately every minute during the business day. More than 5,000 organizations worldwide use our research and consulting to guide their HR, talent, and learning strategies.


This publication contains general information only and Deloitte is not, by means of this publication, rendering accounting, business, financial, investment, legal, tax, or other professional advice or services. This publication is not a substitute for such professional advice or services, nor should it be used as a basis for any decision or action that may affect your business. Before making any decision or taking any action that may affect your business, you should consult a qualified professional advisor. Deloitte shall not be responsible for any loss sustained by any person who relies on this publication.

Copyright © 2014 Deloitte Development LLC. All rights reserved.

Member of Deloitte Touche Tohmatsu Limited.